CLASSIFICATION BELLET 25X1A2g Approved For Release 1989 **(68**NC**&1AgBNCP**82-00457<u>F</u>BB**2**23003 ON HEPORT INFORMAT CD NO. 25X1A2g Trieste DATE DISTR. 5 Jan 1949 Political Analysis of the NO. OF PAGES 2 Trieste Situation 25X1A6a CIA LIBR NO. OF ENCLS.

COUNTRY

SUBJECT

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25X1X6 SUPPLEMENT TO REPORT NO.

The following is a political analysis of the current situation in Zone B of the Free Territory of Trieste.

- The military administration of Zone B is currently endeavoring to maintain its international obligations in order to avoid any basis for complaints addressed to the United Nations.
- 2. In this respect it is determined, henceforth, to fulfill scrupulously its obligations in respect to the treatment of Italians, and wherever possible, to raise the economic level of Zone B. The Yugoslav military administration regards the equality of national groups within its borders seriously and will not tolerate discrimination against Italians in a national-cultural sense. As for the economic situation of Zone B, the Yugoslav administration is raking great sacrifices to attain rehabilitation and this, at the cost of its own economy in Yugoslavia. It is known, for example, that the conditions of subsistence in Zone B are much better than those in Yugoslavia and that many Yugoslav officials and civil servants try their best to be placed in Zone B. factor is that they are better paid there, and the purchasing power of their wages is greater. Moreover, the political pressure in Zone B cannot be compared with that in Yugoslavia. In Zone B relative political freedom exists, (political freedom in comparison with the rest of Yugoslavia).
- 5. The Yugoslav military administration, wherever possible, will seek accord with the Allied military administration on certain questions. For it now lies to its advantage, even in the smallest and most insignificant questions concerning Trieste and the Free Territory, to reach agreement with the Allies.
- 4. The purpose of this attempt to achieve rapport with the Allies is:
 - a. To gain favor in public opinion at home by showing that the Yugoslav regime is still "avorably regarded abroad;
 - b. To flaunt its independence to the Cominform;

c. Perhaps the most important reason, that the Yugoslav desire to restore in Trieste and the Free Territory in general the status quo ante, say, of the year 1945, at the end of the War.

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CENTRAL INTELLIGENCE AGENCY

The Slovene and Croatian peoples of Trioste and the Free Territory, as well as most of the population of Yugoslavia, earnestly desire the friendship of the United States and England. The Yugoslav public is completely aware of the fact that the deleterious anti-Western foreign policy of Yugoslavia which prevailed until the rift with the Soviet Union, at the behest ca the Third International, is the main reason why Yugoslavia has nothing to show for its claims in the Free Territory and Carinthia.

. 5. The Yugoslav Government of Zone B intends to bridge the isolation of Yagoslavia by working cooperatively in the future with the United states and England in Trieste. The writing and the behavior of the press, and that of certain organizations representing the "peoples" authority", is purely deceptive, the purpose of which is to conceal the true goal of current Yugoslav policy from the Cominformists inside the country.